

Winery Starts Up With Assistance from USDA Rural Development

Outline Of Need--Southeast Nebraska Alternative Crops Association, Non-Stock Cooperative dba Arbor Trails Winery is Nebraska's first cooperatively owned winery. As a new business, debt financing was needed for the purchase of its building and wine making equipment. Working capital was also necessary to cash flow the business in its infancy.

How Rural Development Helped--Rural Development provided a Business and Industry Guaranteed loan for \$205,100 for debt financing; and \$96,355 in working capital funds via a Value-Added Producer Grant.

The Results--As a result of the investments made by USDA Rural Development, Arbor Trails Winery has become operational and is producing high quality wines from producer-member grapes in its facility in Nebraska City. The cooperative's wine list includes three varietals of dry wine, three semi-sweet wines, and an apple wine. The Cooperative retails its wine at the winery in Nebraska City and has used our working capital funds in part for marketing expenditures to secure 23 additional retail and wholesale locations throughout Nebraska. Producer members of the Cooperative have benefited by having a local delivery source for their grapes which provides value added premiums over the typical juice market.

Typical prices received from the juice market are approximately 50 cents per pound of grapes. Typical net revenue per bottle of value added wine is approximately \$8.

The cooperative has also employed several positions as a result of the Rural Development funding.



May 2006